

Before The  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

EXPERIMENTAL RATE AND SERVICE CHANGES  
TO IMPLEMENT NEGOTIATED SERVICE AGREEMENT  
WITH CAPITAL ONE SERVICES, INC.

Docket No. MC2002-2

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS BIZZOTTO  
TO INTERROGATORY OF THE AMERICAN BANKERS ASSOCIATION  
(ABA/USPS-T1-1)

The United States Postal Service hereby provides the response of witness  
Bizzotto to the following interrogatory of the American Bankers Association:

ABA/USPS-T1-1, filed on October 15, 2002.

The interrogatory is stated verbatim and is followed by its response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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October 25, 2002

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ANITA J. BIZZOTTO  
TO INTERROGATORY OF AMERICAN BANKERS ASSOCIATION

**ABA/USPS-T-1-1:** In Section IV of your testimony, starting at page 3, line 19, you discuss “Customer-Specific Agreements:”

- a) Your discussion of this issue indicates that this is the first of many rate and classification change requests, denominated as negotiated service agreements (NSA) and based on negotiations with specific customers, which the Postal Service expects to submit to the Postal Rate Commission. Is this understanding correct?
- b) This request is for experimental rate and classification changes. If experimental rate and classification changes based on an NSA are considered to be successful and the Postal Service submits a request to make the changes permanent, does the Postal Service intend to request that the permanent rate and classification changes be limited to one customer, or that the permanent rates and classifications be made available to all customers who qualify?

**RESPONSE:**

- a) To clarify, Section IV of my testimony (USPS-T-1 at 3, line 19 – 5, line 6) discusses the potential use of Negotiated Service Agreements (NSA) to meet the needs of the Postal Service’s customers and describes some possible types of NSAs. I would not necessarily agree that the Postal Service expects to file “many” customer-specific, rate and classification requests or NSAs with the Postal Rate Commission. It is too early to tell whether we will file “many” or “few” NSA-based, rate and classification requests.
- b) It is not possible at this early stage to determine what form any request for rates and classifications extending the Capital One NSA experiment proposed in this Docket (or any other proposed NSA) would take or to whom they would be applicable. As witness Plunkett indicates in his testimony,

In the course of developing the [Capital One] NSA, the Postal Service has not identified any other customers with Capital One’s combination of attributes that makes this agreement uniquely valuable. The Postal Service recognizes that if there were other

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mailers that use First-Class Mail as an advertising medium, and that if they exhibited similar mail usage and growth potential, it could be beneficial to enter into a similar agreement with those mailers.

USPS-T-2 at 8, lines 1 - 6.

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

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Scott L. Reiter

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